

STATE OF MICHIGAN
HOUSE OF REPRESENTATIVES
COMMITTEE ON REGULATORY REFORM
HB 4593, 4594, AND 4595
TESTIMONY OF MICHAEL BASS, FRIEDLAND INDUSTRIES

What would it be like if we had to use up to 70% MORE energy to make the products we have around us? We would live in an incredibly expensive world, because **manufacturing steel made from newly mined iron ore uses up to 70% MORE energy than steel made from scrap metal.** Scrap processing saves the world a LOT of energy.

I'm Mike Bass. I'm here to represent Friedland Industries, a recycling and scrap processing company here in Lansing. We've been part of the environmental and economic solution for over 125 years. In fact, we describe what we do as "mining above the ground" for if we did not recycle the commodities that come through our facility, our community would be ever dependent on mining natural resources.

Solving the metal theft problem is critically important, but it cannot be solved at the expense of the entire scrap processing industry. So, let's address the issue of metal theft. Who's the problem? The answer to that question is: thieves and rogue buyers (or bad actors). **First, it's important that we not confuse thieves with scrappers.** Thieves, simply put, are people who steal property, and *illegally* sell it. Scrappers are people who come into a facility such as ours to *legally* sell material. They may be:

- Independent contractors (e.g., electricians, plumbers, window installers)
- People cleaning out their garages for the first time in 20 years

Rather than creating waste, these people recycle. This benefits them financially, and it benefits the environment. Those people are scrappers. They are not thieves. Scrappers keep legitimate scrap processors, such as Friedland Industries, in business. Discouraging legitimate scrappers from doing business with us will prevent us from achieving the goal of reducing energy costs through recycling.

Now that we've clarified the difference between thieves and scrappers, let's clarify the difference between rogue buyers and legitimate scrap processors. **It's important that we not confuse rogue buyers with legitimate scrap processors.** Rogue buyers, or bad actors, are the buyers who are not following the current law. They are not taking IDs, thumb scans, or license plate numbers, and they should be prosecuted. These buyers are in the business of ignoring laws. If they are not following current laws, is it logical to expect new legislation to have any effect on them? No. New legislation will affect the rule followers, such as Friedland, and all of the ISRI members who are with us today. Rogue buyers are not legitimate scrap processors. Legitimate scrap processors are companies, such as ours.

The Friedland family has been in scrap processing and material recycling on the **same corner** in Lansing **since 1886**. I am the 4th generation in the scrap processing business, and we have served many of the same families and their businesses as customers for many of those years. We have worked with leaders of industry, government, and law enforcement to improve our community, teach it to be green, adapt to changes in the

world around us, and still lead in environmental causes as we have done long before it became fashionable to be green. **We have ALWAYS been part of the economic and environmental SOLUTION, NOT the PROBLEM.** Furthermore, my dad, Larry Bass, owner of Friedland, served on the Sparrow Health System hospital board for over 25 years, six of those as Chairman of the Board. Friedland's co-owner, Randy Rifkin, served in various positions on the Physicians Health Plan (PHP) board for over 14 years. These are not the likes of rogue buyers.

Given what we've meant to this community, I beg you not to lump us in the same category as rogue buyers. This proposed legislation, as it stands, does exactly that. We support ISRI's position and suggested amendments as a solution.

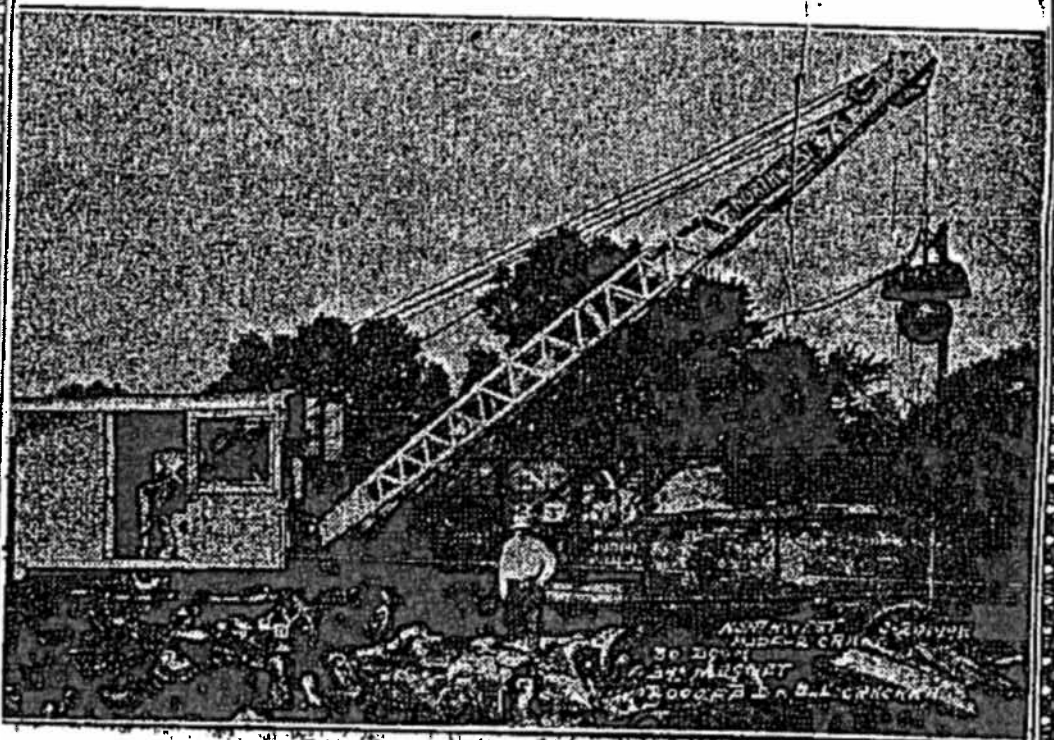
I've brought for you an ad placed by my great grandfather, David Friedland, in the Lansing State Journal on New Years Day, 1929. The message it delivers is very profound. It reads, "The Next Generation Will Thank Us," and it addresses the very issue I started with, which is that recycling reduces our reliance on mining natural resources.

Obviously, solving the metal theft issue is critically important, but as my great grandfather had the foresight to realize, recycling and scrap processing is critical to our future. While legislation aimed at eliminating metal theft needs to exist, it CANNOT be implemented at the expense of the entire scrap processing industry.

Thank you.

The Next Generation Will Thank Us

Unrecognized today is the industrial importance of the salvage business. Untold millions in the nation's natural resources are saved every year through the use of the scrap metals gathered by such concerns as the Friedland Iron and Metal Company.



*We take this occasion to thank our friends and customers for
past favors and wish them a most Happy and Prosperous
New Year*

FRIEDLAND IRON and METAL CO.

David Friedland, President